

Message Text

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63

ACTION ARA-20

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 FPC-01 SCI-06 FEA-02

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E.O. 11652: N/A

TAGS: ETRD, UR, AR

SUBJECT: NEW SOVIET-ARGENTINE COOPERATION AGREEMENTS

REF: BA-0811

1. THE SOVIET DELEGATION MENTIONED IN REFERENCE SIGNED ON FEBRUARY 13, 1974, THREE NEW AGREEMENTS WITH THE ARGENTINE GOVERNMENT, THE SALIENT POINTS OF WHICH ARE AS FOLLOWS:

A. ECONOMIC-COMMERCIAL COOPERATION. CONTAINS A STATEMENT OF BROAD AGREEMENT ON GENERAL AREAS OF ARGENTINE INDUSTRY WHICH POSSIBLY COULD RECEIVE (7,\$3*8,3\$) SOVIET ASSISTANCE. MENTIONS SOVIET PARTICIPATION IN INSTALLATION OF NEW INDUSTRIAL PLANTS AND MODERNIZATION OF EXISTING ONES. PROVIDES FOR TWO-WAY EXCHANGE OF PATENTS, LICENSES, KNOW-HOW, AND EXCHANGE OF SCIENTIFIC/TECHNICAL SPECIALISTS AND DELEGATIONS. STATES INTENTION TO DEVELOP CLOSER MARITIME NAVIGATION COOPERATION AND NEGOTIATION OF APPROPRIATE AGREEMENT TO THAT

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TION COOPERATION AND NEGOTIATION OF APPROPRIATE AGREEMENT TO THAT

END. CONTRACTING PARTIES WILL NOT TRANSMIT TO THIRD PARTIES THE RESULTS OF THEIR ECONOMIC-COMMERCIAL AND SCIENTIFIC-TECHNICAL COOPERATION WITHOUT PRIOR WRITTEN CONSENT. TERM OF THIS AGREEMENT IS 10 YEARS, AUTOMATICALLY RENEWABLE THEREAFTER FOR ONE YEAR AT A TIME.

B. SUPPLY OF MACHINERY AND EQUIPMENT. PROVIDES FOR FUTURE SALES OF SOVIET MACHINERY, EQUIPMENT, AND SERVICES TO ARGENTINA UNDER DEFERRED PAYMENT CONDITIONS DURING THE NEXT FIVE YEARS. INDIVIDUAL CONTRACTS SIGNED UNDER THESE CONDITIONS MAY BE REPAYED OVER PERIOD OF UP TO 10 YEARS WITH FOUR AND A HALF PERCENT ANNUAL INTEREST IF SALES IS TO ARGENTINE STATE ENTERPRISE OR FIVE PERCENT IF TO PRIVATE COMPANIES. ARGENTINE BUYERS MUST PROVIDE AUTHORIZED PAYMENT GUARANTEE IN EACH CASE WITHIN 45 DAYS OF SIGNING PURCHASE CONTRACT. PAYMENT MUST BE MADE IN FREELY CONVERTIBLE CURRENCY WITH FIVE PERCENT OF CONTRACT VALUE PAID WITHIN 30 DAYS AFTER SIGNING CONTRACT, TEN PERCENT UPON PRESENTATION OF EMBARKATION DOCUMENTS, AND REMAINING 85 PERCENT IN EQUAL QUOTAS AT SIX MONTHS INTERVALS WITH THE FIRST QUOTA DUE WITHIN 6 OR 12 MONTHS FOLLOWING RECEIPT OF EQUIPMENT OR COMPLETION OF SERVICE. THE AGREEMENT FURTHER PROVIDES THAT SOVIET EARNINGS FROM SALES OF MACHINERY AND EQUIPMENT TO ARGENTINA WILL BE USED FOR THE PURCHASE OF ARGENTINE GOODS, OF WHICH 30 PERCENT MUST BE MANUFACTURED OR SEMIMANUFACTURED. ADDITIONALLY, IF BOTH PARTIES ARE INTERESTED, THE SOVIET WILL CONSIDER ENTERING INTO CONTRACTS UNDER THIS AGREEMENT IN WHICH SOVIET STATE ORGANISMS PARTICIPATE IN THE INSTALLATION OF FACTORIES OR PLANTS IN ARGENTINA. THAT PARTICIPATION WOULD BE IN FORM OF FURNISHING MACHINERY, EQUIPMENT AND TECHNICAL SERVICES. IN EACH SPECIFIC CASE, ARGENTINE PARTIAL OR TOTAL PAYMENT COULD BE MADE THROUGH SALES TO THE SOVIETS OF PRODUCTION FROM THESE FACTORIES OR PLANTS. THE TERMS OF THIS AGREEMENT SHOULD NOT BE INTERPRETED IN SUCH WAY AS TO PREJUDICE SOVIET-ARGENTINE TRADE CARRIED ON OUTSIDE ITS SPECIFIC PROVISIONS.

C. SCIENTIFIC AND TECHNICAL COOPERATION. BOTH PARTIES AGREE TO COOPERATE IN SCIENTIFIC AND TECHNICAL RESEARCH. THIS WILL INCLUDE EXCHANGE OF SCIENTISTS AND TECHNICAL SPECIALISTS, PROVISION OF SCHOLARSHIPS, EXCHANGE OF SCIENTIFIC AND TECHNICAL INFORMATION, ORGANIZATION OF SCIENTIFIC AND TECHNICAL MEETINGS AND CONFERENCES ON TOPICS OF MUTUAL INTEREST, AND JOINT ELABORATION OF TECHNICAL PROCEDURES FOR INDUSTRY AND AGRICULTURE. A JOINT COMMISSION WILL BE FORMED TO STUDY QUESTIONS WHICH

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FALL UNDER THIS AGREEMENT, TO OUTLINE PROGRAMS FOR THEIR TREATMENT, AND TO PERIODICALLY EVALUATE THEIR PROGRESS. THE COMMISSION WILL MEET ALTERNATELY IN ARGENTINA AND THE SOVIET UNION. THE TERM OF THE AGREEMENT IS FIVE YEARS AND IS AUTOMATICALLY RENEWABLE THEREAFTER.

2. TEXTS OF AGREEMENT BEING FORWARDED.
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